

Support Act Limited
(a company limited by guarantee)
ABN 43 079 588 604

Annual Financial Report
30 June 2018

Directors' report

The directors of Support Act Limited have pleasure in presenting their report together with the financial report of Support Act Limited ("the Company") for the year ended 30 June 2018 and the independent auditor's report thereon.

Directors

The directors at any time during or since the financial year are:

Sally Howland (Chairperson)

Non-executive director since 30 November 1998.

Chairperson since 10 October 2013.

Currently, Advisor APRA |AMCOS. Previously, Head of Member Services of APRA |AMCOS from 2010 to 2013. Director of the Australian Music Centre, Director of the Archie Roach Foundation.

Lynne Small (Company Secretary)

Non-executive director since 22 April 2013.

Company Secretary since 20 December 1998.

General Manager of the Phonographic Performance Company of Australia Limited and the Australian Recording Industry Association Ltd since 2002. Director of the Australian Copyright Council since April 2013.

Mark Callaghan

Non-executive director since 10 October 2013.

Currently Advisor, Member Services, with APRA AMCOS. Mark was previously the Managing Director of Music Sales Australia. His other industry roles include stints as General Manager of AMPAL and of Shock Music Publishing. An APRA member for 38 years, Mark is lead singer and songwriter with GANGgajang and prior to that The Riptides.

Sebastian Chase

Non-executive director since 25 November 2015

Founder of MGM Distribution. Over 40 years music industry experience from managing iconic Australian bands to establishing record labels.

Linda Courtney

Non-executive director since 22 April 2013.

Distribution Manager of Phonographic Performance Company of Australia since 2000.

Leah Flanagan

Non-executive director since 25 November 2015.

Originally from Darwin, Leah has been active in the Northern Territory arts community working with Indigenous and non-Indigenous Artists across the music and visual arts industries. Since relocating to Sydney, she has been employed in Programming roles by the Sydney Festival, Sydney Opera House, Campbelltown Arts Centre and Arts Law Centre. Leah is an active touring songwriter and musician and is an APRA Writer Member Ambassador.

Directors' report (continued)

Catherine Haridy

Non-executive director since 10 October 2013.

Catherine Haridy Management manages a number of high profile artists, producers and authors. Catherine sits on the board of the Association of Artist Managers (AAM) and is a previous Chairperson, is a newly appointed Music Victoria board member, an APRA Ambassador, an AMP Patron and a previous two term board member of the Community Broadcasting Foundation

Dr Karin Lines

Non-executive director since 11 March 2015.

Executive Director Mental Health Branch, NSW Ministry of Health. Karin has many years of experience in the operational management of mental health and drug & alcohol operational service. She also has experience in policy development and analysis and academic teaching.

John O'Donnell (appointed 29th November 2017)

Non-executive director since 29 November 2017.

Managing Director of EMI Recorded Music Australia. John has spent 30 years in the music industry; he has served as a member of both the ARIA and PPCA boards, worked as an Editor in music journalism, joined Sony Music and started Murrumbidgee label. From 2002, he was CEO of EMI Music Australia/NZ before establishing his own consulting business. He returned to EMI in 2013 where he continues to co-manage Cold Chisel.

Keith Potger

Non-executive director since 10 October 2013.

A founding member of The Seekers. Previously, Chair of Support Act Victoria. Formerly, Patron of Variety WA, the renowned children's charity, from 2001 to 2009. Currently, one of the Patrons of the Motor Neurone Disease Association of Western Australia.

Fifa Riccobono

Non-executive director since 10 October 2013.

Former CEO of Albert Music. Former Director of APRA|AMCOS, and AMPAL for 15 years and a founding Director of Nordoff Robbins Music Therapy for 10 years. Currently has her own publishing company Viola Jade Music and is an independent Music Industry Consultant.

John Watson

Non-executive director since 11 March 2015.

Owner and President of both John Watson Management and the label, Eleven: a music company with over twenty-five years of experience in the music industry. Before establishing John Watson Management in 2000, John was Director of A&R and international Marketing at Sony Music Australia for five years.

Directors' report (continued)

Directors' meetings

The number of directors' meetings and number of meetings attended by each of the directors of the Company during the financial year are:

Director	Directors' Meetings	
	Number of meetings attended	Number of meetings held*
Sally Howland (Chair)	5	5
Lynne Small (Secretary)	5	5
Catherine Haridy	5	5
Linda Courtney	5	5
Mark Callaghan	5	5
Sebastian Chase	4	5
Fifa Riccobono	3	5
John O'Donnell	3	3
Karin Lines	3	5
Keith Potger	2	5
John Watson	2	5
Leah Flanagan	2	5

* reflects the number of meetings held during the time the Director held office during the period.

Directors' report (continued)

Lead auditor's independence declaration

A copy of the Lead Auditor's Independence Declaration as required under sub division 60-C section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 is included at page 24 of the annual report.

Objectives, strategy and principal activities

The objective and principal activity of this charitable organisation during the course of the financial year was to provide relief to persons who have worked in and contributed to the Australian music industry and are in need, suffering hardship or distress. On 18th June 2018, Support Act launched a new service, The Support Act Wellbeing Helpline, which is a confidential counselling service available to anyone working in Australian music who needs to talk to someone about any aspect of their wellbeing.

There were no other significant changes in the nature of the activities of this organisation during the year.

Review of activities and key performance indicators

The net profit for the financial year was \$153,799 (2017: \$59,572). Support Act Limited is exempt from income tax.

Dividends

Support Act Limited is not permitted to distribute amongst its members (either directly or indirectly) its net surplus by way of a dividend and no such distributions have been made during the financial year.

State of affairs

In the opinion of the directors there were no significant changes in the state of affairs of the Company during the financial year under review.

Likely developments

The Company will continue to provide relief to persons who have worked in and contributed to the Australian music industry and are in need, or suffering hardship or distress.

Events subsequent to balance date

There has not arisen in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in subsequent financial years.

Directors' report (continued)

Indemnification and insurance of officers

Indemnification

Support Act Limited has entered into an agreement indemnifying the current directors of Support Act Limited against all liabilities to another person (other than the Company) that may arise from their position as directors of the Company, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

Insurance premiums

Insurance premiums in respect of Director's Liability and Legal Expenses insurance contracts for current officers, including executive officers of the company have been paid by Support Act Limited. The insurance premiums relate to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

Premiums totalling \$2,615 (2017: \$2,675) were paid in respect of the directors of the Company.

Members Guarantee

The Company is a company limited by guarantee. The guarantee of members in the event of the winding up of the Company is \$10 for each member. At 30 June 2018 membership of the Company comprised 718 (2017: 685) full members, resulting in a total guarantee of \$7,180 (2017: \$6,850).

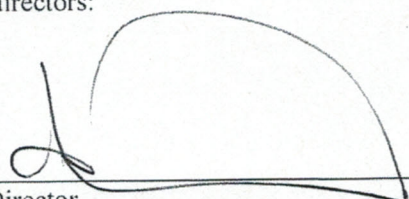
Environmental regulation

The Company's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However the Board believes that the Company has adequate systems in place for the management of its environment and is not aware of any breaches during the period covered by this report.

Dated at Sydney this 24th day of October 2018.

Signed in accordance with a resolution of the directors:



Director

Director

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2018

	Notes	Year Ended 30-Jun-18 \$	Year Ended 30-Jun-17 \$
Revenue			
Revenue	2	1,787,539	981,225
Other income	3	7,714	9,153
Total revenue		<u>1,795,253</u>	<u>990,378</u>
Expenses			
Fundraising and event expenditure	9(i)	(233,249)	(124,099)
Grants paid or payable		(354,831)	(329,004)
Benefit Concert payments paid or payable		(554,370)	(68,060)
Employee and Contractor expenses - Fundraising	9(i)	(179,688)	(153,970)
Employee and Contractor expenses - Service Delivery		(189,180)	(183,773)
Other operating expenses		(130,136)	(71,900)
Total expenses		<u>(1,641,454)</u>	<u>(930,806)</u>
Net profit/(loss)		<u>153,799</u>	<u>59,572</u>
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		<u>153,799</u>	<u>59,572</u>

This statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 10 to 22.

Balance Sheet

As at 30 June 2018

	Notes	Year Ended 30-Jun-18 \$	Year Ended 30-Jun-17 \$
Current Assets			
Cash and cash equivalents	5	363,219	230,860
Cash on deposit	5	340,199	235,022
Trade and other receivables	6	13,404	13,003
Total Current Assets		716,822	478,885
Non-Current Assets			
Property, plant & equipment	7	4,786	3,803
Intangible assets	8	18,764	23,350
Total Non-Current Assets		23,550	27,153
Total Assets		740,372	506,038
Current Liabilities			
Trade and other payables		62,037	28,837
Employee entitlements		15,687	15,854
Deferred donor restricted funds		44,828	540
Unpaid grants		43,093	41,155
Total Current Liabilities		165,645	86,386
Non-Current Liabilities			
Employee entitlements		10,478	9,202
Total Non-Current Liabilities		10,478	9,202
Total Liabilities		176,123	95,588
Net Assets		564,249	410,450
Retained Surplus		564,249	410,450

The balance sheet is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 10 to 22.

Statement of changes in equity

For the year ended 30 June 2018

	2018 \$	2017 \$
Retained surplus at the beginning of the financial year	410,450	350,878
Total comprehensive income/(loss) for the period	153,799	59,572
Retained surplus at the end of the financial year	564,249	410,450

This statement of changes in equity is to be read on conjunction with the notes to and forming part of the financial statements set out on pages 10 to 22.

Statement of cash flows
For the year ended 30 June 2018

	Notes	2018	2017
		\$	\$
Cash flows from operating activities			
Cash receipts in the course of operations		1,787,736	978,378
Cash payments in the course of operations		(1,551,013)	(946,613)
Interest received		7,116	8,338
Net cash inflows/(outflows) from operating activities	11(ii)	<u>243,839</u>	<u>40,103</u>
Cash flows from investing activities			
Payments for property, plant & equipment		(6,303)	(9,533)
Proceeds from property, plant & equipment		-	-
(Increase)/Decrease in cash on deposit		<u>(105,177)</u>	<u>(37,609)</u>
Net cash inflows/(outflows) from investing activities		<u>(111,480)</u>	<u>(47,142)</u>
Net increase/(decrease) in cash held		132,359	(7,039)
Cash at the beginning of the financial year		<u>230,860</u>	<u>237,899</u>
Cash at the end of the financial year	11(i)	<u><u>363,219</u></u>	<u><u>230,860</u></u>

The statement of cash flows is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 10 to 22.

Notes to and forming part of the financial statements

1 Statement of significant accounting policies

Support Act Limited (the 'Company') is a company domiciled in Australia.

Support Act Limited's registered office is Level 4, 11 - 17 Buckingham Street
Surry Hills, NSW 2010.

The financial report was authorised for issue by the directors on 24th October 2018.

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ("AASBs") adopted by the Australian Accounting Standards Board ("AASB") and the Australian Charities and Not-for-profits Commission Regulation 2013. The financial report of the Company also complies with IFRSs and interpretations adopted by the International Accounting Standards Board.

(b) Basis of preparation

The financial report is presented in Australian dollars. The financial report is prepared on the historical cost basis, except that financial assets at fair value through the profit and loss are measured at fair value.

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by the Company.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The accounting policies set out below have been applied consistently to all periods presented in the financial report.

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 July 2018, and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Company.

Notes to and forming part of the financial statements

1 Statement of significant accounting policies (continued)

(c) Revenue recognition

Revenue apart from subscriptions is recognised on a cash basis.

Subscriptions

Subscriptions are paid once only on joining and are recognised as revenue when received.

(d) Grants

All grants approved prior to 30 June 2018 are charged against current income for the period. Grants which have been approved but have not been paid at the end of the period are accrued for at period end.

(e) Deferred donor restricted funds

Where a donor provides funds for a specific purpose, or a solo benefit concert or personal appeal raises funds for a specific purpose, any amounts that have not yet been paid at the end of the period are accrued for at period end.

(f) Income tax

The Company is exempt from income tax under section 50-5 of the Income Tax Assessment Act 1997.

(g) Cash and cash on deposit

Cash is carried at the face value of the amounts deposited. Interest revenue is accrued at the market rates.

(h) Trade and other receivables

Trade and other receivables are stated at amortised cost less impairment losses (see accounting policy (j)). The carrying amount of trade debtors approximates net fair value.

(i) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Notes to and forming part of the financial statements

1 Statement of significant accounting policies (continued)

(j) Impairment

The carrying amounts of the Company's assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see accounting policy j(i)).

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the profit or loss.

(i) Calculation of recoverable amount

The recoverable amount of the Company's receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred. Significant receivables are individually assessed for impairment. Impairment testing of significant receivables that are not assessed as impaired individually is performed by placing them into portfolios of significant receivables with similar risk profiles and undertaking a collective assessment of impairment. Non-significant receivables are not individually assessed. Instead, impairment testing is performed by placing non-significant receivables in portfolios of similar risk profiles, based on objective evidence from historical experience adjusted for any effects of conditions existing at each balance sheet date.

(ii) Reversals of impairment

Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

An impairment loss in respect of receivables carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

(k) Employee benefits

Employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

(l) Retained earnings

The principal activity of the Company is to provide relief to persons who have worked in and contributed to the Australian music industry and are in need, or suffering hardship or distress. Any funds received by way of donations or other activities for the purpose of providing grants to provide relief not expended at the period end are carried forward against expenditure in future periods. It is not the intention of the Company to utilise retained surpluses for distribution other than on its principal activities. The Company is a not-for-profit entity.

Notes to and forming part of the financial statements

(m) Property, plant and equipment

Owned assets

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation (see impairment losses (see accounting policy j)).

Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful life of each part of an item of property, plant or equipment. The estimated useful life in the current period is as follows:

- Computer hardware/laptops and, camera hardware and equipment – 3 years

The residual value, the useful life and the depreciation method applied to an asset are reassessed at least annually.

- Furniture and Fixtures – 5 years

The residual value, the useful life and the depreciation method applied to an asset are reassessed at least annually.

(n) Intangible Assets

Owned assets

Items of intangible assets are stated at cost or deemed cost less accumulated amortisation (see impairment losses (see accounting policy j)).

Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful life of each part of an item of property, plant or equipment. The estimated useful life in the current period is as follows:

- Website at cost – 5 years

The residual value, the useful life and the depreciation method applied to an asset are reassessed at least annually.

- Customer Relationship Management Database – 5 years

The residual value, the useful life and the depreciation method applied to an asset are reassessed at least annually.

Notes to and forming part of the financial statements

2 Revenue

	2018	2017
	\$	\$
Revenue		
Donations	480,719	592,216
Help-A-Mate Appeal Events	903,105	203,001
Music In the House Fundraising Event	273,632	168,818
Brand Partnership	100,000	-
Community Fundraising proceeds	28,770	15,491
Membership fees	1,313	1,699
	<u>1,787,539</u>	<u>981,225</u>

3 Other Income

	2018	2017
	\$	\$
Other Income		
Interest income	6,769	8,248
Interest income - Endowment donations	945	905
	<u>7,714</u>	<u>9,153</u>

4 Auditors Remuneration

	2018	2017
	\$	\$
Audit Services		
Auditors of the company - KPMG		
- Audit of the financial report	3,750	3,750
	<u>3,750</u>	<u>3,750</u>

Notes to and forming part of the financial statements

5 Cash Assets

	2018	2017
	\$	\$
Cash at bank	363,219	230,860
Cash and cash equivalents	363,219	230,860
Cash on deposit	305,199	200,022
Cash on deposit - endowment donation	35,000	35,000
Cash on deposit	340,199	235,022
	703,418	465,882

The weighted average interest rates at 30 June 2018 on cash accounts and cash on deposit (terms greater than 90 days) are 2.43% (2017: 2.57%)

6 Receivables

	2018	2017
	\$	\$
Prepayments	4,449	8,258
Interest receivable	3,360	2,762
Net GST refund owing	5,595	1,983
	13,404	13,003

7 Property, plant & equipment

	2018	2017
	\$	\$
Plant and Equipment		
Plant and equipment – at cost	11,031	8,259
Less: accumulated depreciation	(6,245)	(4,456)
	4,786	3,803

Notes to and forming part of the financial statements

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial period are set out below:

	2018	2017
	\$	\$
Carrying amount at 1 July	3,803	2,633
Additions	2,772	2,999
Disposals	-	-
Depreciation expense	(1,789)	(1,829)
Carrying amount at 30 June	<u>4,786</u>	<u>3,803</u>

8 Intangible Assets

	2018	2017
	\$	\$
Intangible Assets		
Website and CRM database costs - at cost	42,179	38,648
Less: accumulated amortisation	(23,415)	(15,298)
	<u>18,764</u>	<u>23,350</u>

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial period are set out below:

	2018	2017
	\$	\$
Carrying amount at 1 July	23,350	23,877
Additions	3,531	6,534
Amortisation expense	(8,117)	(7,061)
Carrying amount at 30 June	<u>18,764</u>	<u>23,350</u>

Notes to and forming part of the financial statements

9 Information and declarations to be furnished under the Charitable Fundraising Act 1991

	2018	2017
	\$	\$
(i) Details of aggregate gross income and total expenses of fundraising events:		
Gross proceeds from fundraising activities		
Help-A-Mate Appeal Events	903,105	203,001
Music In the House Fundraising Event	273,632	168,818
Brand Sponsorship	100,000	-
Community Fundraising proceeds	28,770	15,491
Membership fees	1,313	1,699
Donations- General	361,071	560,036
Donations - Donor Restricted	118,648	28,180
Donations - Hall Trust	1,000	4,000
Total	<u>1,787,539</u>	<u>981,225</u>
Less total direct cost of fundraising activities		
Help-A-Mate Events	149,713	50,613
Music In the House	82,627	72,002
Other Fundraising Events	909	1,484
	<u>233,249</u>	<u>124,099</u>
Employee & contractor expenses - Fundraising	<u>179,688</u>	<u>153,970</u>
Total	<u>412,937</u>	<u>278,069</u>
Net surplus from fundraising events	<u><u>1,374,602</u></u>	<u><u>703,156</u></u>

Notes to and forming part of the financial statements

9 Information and declarations to be furnished under the Charitable Fundraising Act 1991 (continued)

(ii) Application of net surplus from fundraising events:

	2018	2017
	\$	\$
Net surplus from fundraising events	<u>1,374,602</u>	<u>703,156</u>

This surplus is used as a benevolent fund to provide relief to persons who have worked in and contributed to the Australian music industry and are in need, or suffering hardship or distress.

During the year grants and concert benefit payments (including proceeds of authorised personal appeals) of \$909,201 (2017: \$397,004) were paid or are payable at 30 June 2018. In addition, employee and contractor costs of service delivery paid or payable were \$189,180 (2017: \$183,773).

	2018	2018	2017	2017
	\$	%	\$	%

(iii) Comparison of certain monetary figures and percentages

Total cost of fundraising/gross income from fundraising	412,937 / 1,787,539	23%	278,069 / 981,225	28%
Net surplus from fundraising / gross income from fundraising	1,374,602 / 1,787,539	77%	703,156 / 981,225	72%
Total service delivery expenditure including grants paid / total expenditure	1,098,381 / 1,641,454	67%	580,837 / 930,806	62%
Total service delivery expenditure including grants paid / total income	1,098,381 / 1,795,253	61%	580,837 / 990,378	59%

Notes to and forming part of the financial statements

10 Members' guarantee

The Company is a company limited by guarantee. The guarantee of members in the event of the winding up of the company is \$10 for each member. At 30 June 2018 membership of the Company comprised 718 (2017: 685) full members, resulting in a total guarantee of \$7,180 (2017: \$6,850).

11 Notes to the statement of cash flows

(i) Reconciliation of cash

For the purposes of the statement of cash flows, cash includes cash on hand and at bank and short term deposits at call, net of outstanding bank overdrafts. Cash as at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2018	2017
	\$	\$
Cash and cash equivalents	363,219	230,860

(ii) Reconciliation of net profit to net cash provided by operating activities

	2018	2017
	\$	\$
Net profit	153,799	59,572
(Less)/ Add non-cash items		
Depreciation and amortisation	9,906	8,890
Net cash provided by operating activities before changes in assets and liabilities	163,705	68,462
Change in operating assets and liabilities:		
Decrease/(increase) in receivables	(401)	(3,662)
(Decrease)/increase in payables, unpaid grants and deferred donor restricted funds	79,426	(35,625)
(Decrease)/increase in employee entitlements	1,109	10,928
Net cash inflow from operating activities	243,839	40,103

Notes to and forming part of the financial statements

12 Related parties

Key management personnel

The following were key management personnel of the company at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period:

Directors

Sally Howland (Chair)
Lynne Small (Secretary)
Catherine Haridy
Fifa Riccobono
John O'Donnell (appointed 29 November 2017)
Keith Potger
Linda Courtney
Mark Callaghan
John Watson
Karin Lines
Leah Flanagan
Sebastian Chase

CEO

Joanna Cave (Resigned 1 June 2018)
Clive Miller (Appointed 21 May 2018)

Key management personnel compensation

Total key management personnel compensation in respect of 2018 was \$131,298 (2017: \$116,680).

Other key management personnel transactions

None of the key management personnel have entered into a material contract with the company since the end of the previous financial year and there were no material contracts involving directors' interests at year end.

Notes to and forming part of the financial statements

13 Financial instruments

Financial risk management and transactions

Overview

The Company has exposure to the following risks from the use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included in this note.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board is responsible for developing and monitoring risk management policies.

Risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the consolidated activities.

The Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

Credit risk

Credit risk represents the loss that would be recognised if a counterparty failed to perform their contractual obligations and arises principally from the Company's receivables from advances.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and unusual conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The contractual maturities of financial liabilities, as represented by trade and other payable, deferred donor restricted funds and unpaid grants, are all within one year. The carrying amount of these liabilities also represents the contractual cash flows.

Notes to and forming part of the financial statements

13 Financial instruments (continued)

Financial risk management and transactions (continued)

Market risk

Market risk is the risk that changes in market prices such as interest rates and share market fluctuations will affect the Company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

Profile

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments related to cash and cash on deposit balances totalling \$703,418 at variable interest rates (2017: \$465,882).

Sensitivity analysis

If interest rates had changed by plus (or minus) 1% per annum from the interest rate at the year end, with all other variables held constant, the Company's profit before income tax for the year would have been \$3,402 higher (lower) (2017: \$4,658).

Fair value hierarchy

The Company no longer holds any investments recognised at fair value.

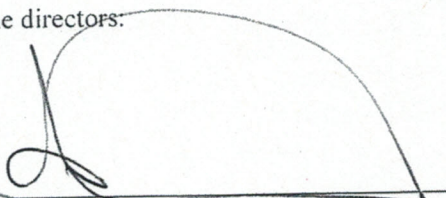
Directors declaration

1. In the opinion of the directors of Support Act Limited ("the Company"):
 - (a) the financial statements and notes set out on pages 6 to 22 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
 - (i) giving a true and fair view of the financial position of the Company as at 30 June 2018 and of its performance, for the year ended on that date;
 - (ii) complying with Australian Accounting Standards and the Australian Charities and Not-for-profit Commission Regulation 2013; and
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
 - (c) the financial report gives a true and fair view of all income and expenditure of Support Act Limited with respect to fundraising appeal activities for the financial year ended 30 June 2018;
 - (d) the statement of financial position gives a true and fair view of the state of affairs with respect to fundraising appeal activities as at 30 June 2018;
 - (e) the provisions of the Charitable Fundraising NSW Act 1991 and Regulations, and the WA Charitable Collections Act 1946 and Regulations 1947, and the conditions attached to the authority have been complied with for the financial year ended 30 June 2018; and
 - (f) the internal controls exercised by Support Act Limited are appropriate and effective in accounting for all income received and applied from any fundraising appeals.
2. The directors draw attention to Note 1(a) to the financial statements which includes a statement of compliance with International Financial Reporting Standards.

Dated at Sydney this 24th day of October 2018

Signed in accordance with a resolution of the directors:



Director

Director



Auditor's Independence Declaration under subdivision 60-C
section 60-40 of Australian Charities and Not-for-profits
Commission Act 2012

To the Directors of Support Act Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Support Act Limited for the financial year ended 30 June 2018 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Australian Charities and Non-for-profits Commission Act 2012* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Cameron Slapp
Partner

Sydney
24 October 2018

Independent Auditor's Report

To the Directors of Support Act Limited

Report on the audit of the Financial Report

Qualified Opinion

We have audited the **Financial Report** of Support Act Limited (the Company).

In our opinion, except for the possible effects of the matter described in the Basis for Qualified opinion section of our report, the accompanying Financial Report of the Company is in accordance with Division 60 of the *Australian Charities and Not-for-Profits Commission (ACNC) Act 2012*, including:

- giving a true and fair view of the **Company's** financial position as at 30 June 2018 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and Division 60 of the *Australian Charities and Not-for-Profits Commission (ACNC) Act 2012*.

The **Financial Report** comprises:

- The Balance Sheet as at 30 June 2018;
- Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, and Statement of Cash Flows for the year then ended;
- Notes including a summary of significant accounting policies;
- Directors' Declaration of the Company; and
- Declaration by the Directors in respect of fundraising appeals of the Company.

Basis for Qualified opinion

Qualification on Fundraising Revenue

Fundraising revenue in the form of cash donations is a significant source of fundraising revenue for the Company. The Company has determined that it is not practicable to maintain controls over the collection of cash donations prior to entry into its financial records. Accordingly, as the evidence available to us regarding fundraising revenue from this source was limited, our audit procedures with respect to cash donations was restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion as to whether the cash donations to the Company, reported in the accompanying Financial Report, is complete.

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.



We are independent of the Company in accordance with the auditor independence requirements of the *ACNC Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Other Information

Other Information is financial and non-financial information in Support Act Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Qualified opinion section above, we were unable to obtain sufficient appropriate evidence about the completeness of cash donations. Accordingly, we are unable to conclude whether or not the other information is materially misstatement with respect to this matter.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- Preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *ACNC*.
- Preparing the Financial Report in accordance with Section 24(2) of the *Charitable Fundraising (NSW) Act 1991* and Regulations and with Section 15(1) and 15(2) of the *WA Charitable Collections Act 1946* and Regulations 1947 (the Acts and Regulations).
- Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
- Assessing the Company's ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.



Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.

Undertaking an audit in accordance with *Australian Auditing Standards*, means exercising professional judgment and maintaining professional scepticism.

Our responsibilities include:

- Identifying and assessing the risks of material misstatement of the Financial Report, whether due to fraud or error.
- Designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error. This is because fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtaining an understanding of internal control relevant to the Audit in order to design audit procedures that are appropriate in the circumstances. This is not for the purpose of expressing an opinion on its effectiveness.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Concluding on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the Financial Report, including the disclosures, and whether the Financial Report represents the underlying transactions and events in a manner that achieves fair presentation.

In addition we have:

- Obtained an understanding of the internal control structure for fundraising appeal activities.
- Examined on a test basis of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the Acts and Regulations.

We have not audited on a continuous basis the accounting records relied upon for reporting on fundraising appeal activities. These do not necessarily reflect accounting adjustments after the event or normal year-end financial adjustments required for the preparation of Financial Report such as accruals, prepayments, provisioning and valuations.



Report on other legal and regulatory requirements

Opinion pursuant to the Charitable Fundraising Act (NSW) 1991

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph:

- The Financial Report gives a true and fair view of the Company's financial result of fundraising appeal activities for the financial year ended 30 June 2018.
- The Financial Report has been properly drawn up, and the associated records have been properly kept for the period from 1 July 2017 to 30 June 2018, in accordance with the Charitable Fundraising Act (NSW) 1991 and Regulations;
- Money received as a result of fundraising appeal activities conducted during the period from 1 July 2017 to 30 June 2018 has been properly accounted for and applied in accordance with the Charitable Fundraising Act (NSW) 1991 and Regulations; and
- There are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Opinion pursuant to the Charitable Collections Act (WA) 1946 and Charitable Collections Regulations (WA) 1947

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph the Company has complied, in all material respects, with the requirements of the *Charitable Collections Act (WA) 1946* and *Charitable Collections Act (WA) 1947* for the year ended 30 June 2018.

KPMG

KPMG

Cameron Slapp

Partner

Sydney

24 October 2018